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Weak U.S. Dollar

The weak dollar has made U.S. goods more competitive abroad and imports more expensive. It has also driven the U.S. trade deficit higher. The U.S. trade deficit in goods and services registered \$548 billion at an annual rate in the first quarter of 2004, about \$46 billion larger than in the fourth quarter of 2003. Foreigners buy nearly half of all debt issued by the U.S. government and the U.S. account deficit is financed largely by foreign flows into U.S. bonds.

The dollar's weakness against the Euro has affected its relationship to other world currencies, notably the Russian Ruble. The Russian Ruble-U.S. Dollar exchange rate was 31.7844 on January 1, 2003 and fell to 29.4545 one year later. On November 15, 2004 the exchange rate was down to 28.6651, a 10 percent decline since January 2003.

Much of the dollar's depreciation has been against the euro and hasn't effected the currencies of most of Asia. A number of countries have pegged, or loosely pegged, their currencies to the U.S. dollar. The Chinese yuan is loosely pegged to the U.S. dollar at about 8.28 and is considered undervalued. To maintain the value of the yuan, China's central bank must purchase large amounts of U.S. debt. Allowing China's yuan to float upward would raise the price of Chinese goods in the U.S. and reduce the U.S. trade deficit. Several Asian banks have

been major buyers of U.S. dollars to keep their own currencies low and their exports competitive. Other countries, such as Ecuador, El Salvador, Guatemala and Panama, have adopted the U.S. dollar as legal tender. Both the U.S. dollar and the local currency are used in daily transactions in the Bahamas, Cambodia and Haiti.

The dollar was stronger against the Mexican peso and the Thai baht. Historically, movements in exchange rates have accounted for about 40 percent of the change in the real value of U.S. agricultural exports.

Exchange Rates in Currency Units per U.S. Dollar

				% Change from Nov 04	
	2-Jan-03	2-Jan-04	12-Nov-04	2-Jan-03	2-Jan-04
Australia	1.7765	1.3200	1.3012	-1	-27
Brazil	3.5425	2.8840	2.7920	-11	-3
Canada	1.5750	1.2900	1.1919	-24	-8
China	8.2800	8.2769	8.2765	n/c	1.n/c
EU	0.9652	0.7942	0.7708	-20	-3
Hong Kong	7.7988	7.7645	7.7720	n/c	n/c
Japan	119.86	106.95	105.53	-12	-1
Mexico	10.3500	11.0950	11.3800	+10	+3
Singapore	1.7448	1.7022	1.6514	-5	-3
South Korea	1190.0	1195.1	1104.0	-7	-8
Taiwan	34.74	33.98	32.97	-5	-3
Thailand	43.17	39.54	40.31	-7	+2
UK	0.6260	0.5586	0.5390	-14	-4

Source: Federal Reserve, USDA/ERS, news wires

China Lifts Ban on U.S. Poultry and Poultry Products

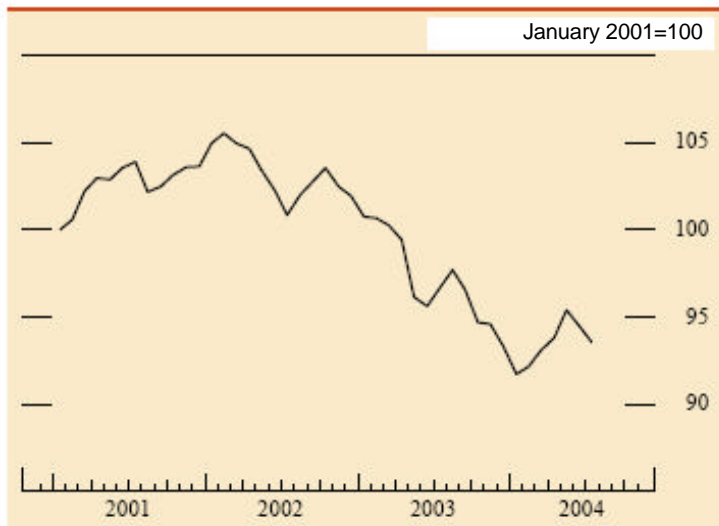
The Chinese government lifted a ban on U.S. poultry and poultry products for poultry slaughtered on or after November 8, 2004 with the exception of product produced in Rhode Island and Connecticut. China initiated the ban on February 10, 2004, due to outbreaks of low pathogenic avian influenza. China is requesting that the United States develop a protocol that addresses China's exporters desire to export cooked Chinese poultry to the U.S.

U.S. Exports to China, January-September

	Poultry and poultry products in metric tons			
	2001	2002	2003	2004
Poultry 0207	47,138	57,513	128,863	20,471
Prepared 1601, 1602	6,580	6,490	2,670	1,167

SOURCE:USDA/FSIS, Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics, news wires

U.S. dollar nominal exchange rate, broad index



Note: the data are monthly and are in foreign currency units per dollar. The last observation is the average of trading days through July 14, 2004. The broad index is a weighted average of the foreign exchange value of the U.S. dollar against the currencies of a large group of major U.S. trading partners. The index weights, which change over time, are derived the U.S. export shares and from U.S. and foreign import shares.

Source: Federal Reserve Bulletin - Summer 2004

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending November 06, 2004		Year-To-Date	
Type	2004	2003 /1	2004 /2
Liquid	711	551	15,480
Frozen	0	0	36
Dried	0	0	604
Total	711	551	16,120

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending November 06, 2004		Year-To-Date	
Type	2004	2003 /1	2004 /2
Liquid	22	114	7,159
Frozen	3	120	1,466
Dried	0	76	1,893
Total	25	310	10,518

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending November 06, 2004		Year-To-Date	
TYPE	2004	2003 1/	2004 2/
Jumbo	0	33	392
Extra Large	1,560	1,601	160,404
Large	2,464	7,180	325,344
Medium	1,026	2,234	109,524
Ungraded	10,980	3,600	299,386
Misc	0	0	16,790
Total	16,030	14,648	911,840

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA/AMS Poultry Programs, Market News Branch.

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

		Nov 12, 2004	
		PRICES	VOLUME
		(Cents per Pound)	

FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

		Nov 12, 2004	
		PRICES	VOLUME
		(Cents per Pound)	
FAT			
CONTENT	FROZEN	FRESH	TOTAL
15% OR LESS			
RANGE	-	14.50-19.00	122,400
WTD AVERAGE		17.50	
15-20%			
RANGE	12.00-22.00	11.00-18.00	2,400,000
WTD AVERAGE	15.81	13.28	
20% OR MORE			
RANGE	-	-	-
WTD AVERAGE			

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

LIVE POULTRY SLTRD UNDER INSPECTION W/E 06-Nov-04

(PRELIMINARY)

U.S. FOWL SLAUGHTERED DOMESTICALLY

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
Head	1,499	1,391	2,890
Last Week	1,433	1,519	2,952
Same week yr ago	1,258	1,473	2,731
To-date/2004	60,273	59,935	120,208
To-date/2003	63,789	61,966	125,755

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
Head	186	0	186
Last Week	371	7	378
Same week yr ago	171	0	171
To-date/2004	10,659	126	10,785
To-date/2003	10,055	137	10,192

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
THOUSANDS			
Head	1,685	1,391	3,076
Last Week	1,804	1,526	3,330
Same week yr ago	1,429	1,473	2,902
To-date/2004	70,932	60,061	130,993
To-date/2003	73,844	62,103	135,947

Source: USDA/AMS Poultry Programs, Market News Branch

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

		Nov 12, 2004	
		PRICES	VOLUME
		(Cents per Pound)	

FAT				
CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

		Nov 12, 2004	
		PRICES	VOLUME
		(Cents per Pound)	
FAT			
CONTENT	FROZEN	FRESH	TOTAL
15% OR LESS			
RANGE	18.50	18.75-22.00	540,000
WTD AVERAGE	18.50	21.07	
15-20%			
RANGE	18.00-26.00	18.00-20.00	2,352,000
WTD AVERAGE	22.08	19.07	
20% OR MORE			
RANGE	-	17.50	120,000
WTD AVERAGE		17.50	

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 12 NOVEMBER 2004.

The market tone was steady to fully steady on fresh breast trim and scapula, balance of fresh white meat mostly steady. Demand light to fair with interest centered mostly on 2005 contracts. Fresh offerings ranged from short on breast trim to sometimes adequate on tom breast meat. The market on frozen white meat was steady to instances fully steady, however, some spot unsettledness was noted on frozen wing meat and scapula. Offerings of frozen wing meat with skin was light to instances adequate, but spotty with a few noting supplies not as tight as previous weeks. Offerings of frozen scapula short to instances light, breast trim short of buyers' needs with the balance of white meat light at best. Domestic trading slow to moderate and exports active for current shipments. For domestic: plant grade basted 16-18 lb. breasts 119-135 mostly 119, fresh scapula 115-126 mostly 115-116 cents delivered. For export: fresh tom drums 38-39, fresh thigh meat 88 cents delivered. Contracts for January-December, 2005: fresh -20% mechanically separated turkey 19-21 shipping point, tom drums with 33 cent floor and 45 cent ceiling, fresh tom breast meat with 165 floor and 200 ceiling, fresh destrapped tenderloins with 160 cents floor and 190 cent ceilings delivered domestic.

FRIDAY, NOVEMBER 12, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	37.00		37.00	40	37.00	40
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS	24.00		24.00	80	22.87	184
MECHANICALLY SEPARATED 2/	20.00-21.00		20.28	144	20.28	144
THIGH MEAT - FROZEN	81.00-85.50		84.75	240	81.55	456

THURSDAY, NOVEMBER 11, 2004

NO EXPORT TRADING REPORTED DUE TO THE OBSERVANCE OF VETERANS DAY

WEDNESDAY, NOVEMBER 10, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	38.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS	22.00		22.00	104
MECHANICALLY SEPARATED 2/		F	19.06	144
THIGH MEAT - FROZEN	78.00		78.00	216

TUESDAY, NOVEMBER 09, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	38.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	22.00	104
MECHANICALLY SEPARATED 2/		F	19.06	144
THIGH MEAT - FROZEN		F	78.00	104

MONDAY, NOVEMBER 08, 2004**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	38.00	40
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS		F	22.00	104
MECHANICALLY SEPARATED 2/		F	19.06	144
THIGH MEAT - FROZEN		F	78.00	104

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.